

ASSEMBLY BILL

No. 25

Introduced by Assembly Member Charles Calderon

August 21, 2008

An act to add Sections 39, 19188, and 19779 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 25, as introduced, Charles Calderon. Taxation: Franchise Tax Board: Board of Equalization: penalties.

Under existing law, the Franchise Tax Board administers franchise and income tax laws, and the State Board of Equalization administers the sales and use tax and a number of special taxes and fees laws. Those laws impose penalties for noncompliance, as specified in those laws.

This bill would double the penalties imposed under those laws.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on January 10, 2008.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on January 10, 2008, pursuant to the California Constitution.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 39 is added to the Revenue and Taxation
2 Code, to read:

3 39. (a) Any penalty imposed pursuant to Part 1 (commencing
4 with Section 6001), Part 2 (commencing with Section 7301), Part
5 3 (commencing with Section 8601), Part 6 (commencing with
6 Section 11201), Part 7 (commencing with Section 12001), Part 13
7 (commencing with Section 30001), Part 14 (commencing with
8 Section 32001), Part 18.5 (commencing with Section 38101), Part
9 19 (commencing with Section 40001), Part 20 (commencing with
10 Section 41001), Part 22 (commencing with Section 43001), Part
11 23 (commencing with Section 45001), Part 24 (commencing with
12 Section 46001), Part 26 (commencing with Section 50101), Part
13 30 (commencing with Section 55001), or Part 31 (commencing
14 with Section 60001), of Division 2, whether imposed upon a
15 specified percent of the tax, a dollar amount, or otherwise, shall
16 be imposed at a rate or in an amount that is double the rate or
17 amount specified in those provisions.

18 (b) The provisions of this section shall become operative on the
19 first day of the first calendar quarter commencing more than 90
20 days after the effective date of this section.

21 SEC. 2. Section 19188 is added to the Revenue and Taxation
22 Code, to read:

23 19188. (a) The amount of any penalty imposed under this
24 article shall equal twice the amount that would be imposed without
25 regard to this section.

26 (b) The amount of any maximum limitation that applies to a
27 penalty under this article shall equal twice the maximum limitation
28 that would apply to that penalty without regard to this section.

29 (c) As used in this section, “penalty” includes any addition to
30 tax.

31 (d) This section shall apply to any penalty imposed under this
32 article after the effective date of this section, without regard to
33 taxable year.

34 SEC. 3. Section 19779 is added to the Revenue and Taxation
35 Code, to read:

36 19779. (a) The amount of any penalty imposed under this
37 chapter shall equal twice the amount that would be imposed without
38 regard to this section.

1 (b) The amount of any maximum limitation that applies to a
2 penalty under this chapter shall equal twice the maximum limitation
3 that would apply to that penalty without regard to this section.

4 (c) As used in this section, “penalty” includes any addition to
5 tax.

6 (d) This section shall apply to any penalty imposed under this
7 chapter after the effective date of this section, without regard to
8 taxable year.

9 SEC. 4. This act addresses the fiscal emergency declared by
10 the Governor by proclamation on January 10, 2008, pursuant to
11 subdivision (f) of Section 10 of Article IV of the California
12 Constitution.

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